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# TORONTO STOCK EXCHANGE

FILING STATEMENT No. 369.

ACCEPTED FOR FILING, OCTOBER 8th, 1959.

## ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED (No Personal Liability)

Full corporate name of Company

Incorporated under the provisions of The Quebec Mining Companies Act by Letters Patent dated February 23rd, 1953.

Particulars of incorporation (e.g., Incorporated under Part IV of The Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957)

## FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

DEC 23 1959

1. Head office address and any other office address.	The Head Office of the Company is at 56 Wellington Street North, Sherbrooke, Quebec. The principal office of the Company is at Suite 605, 137 Wellington Street West, Toronto.
2. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(1) The Company and its subsidiary, AER Nickel Corporation Limited, have proposed Plans of Compromise or Arrangement dated June 19, 1959 (copies of which are annexed hereto) under the Companies' Creditors Arrangement Act (Canada) to their respective creditors which have been approved at meetings of the various classes of creditors and sanctioned by Orders of the Supreme Court of Ontario dated September 25, 1959. See Schedule "A" attached for particulars of securities outstanding after implementation of these Plans. (2) By Supplementary Letters Patent dated August 21, 1959 the name of the Company was changed from Arcadia Nickel Corporation Limited to Associated Arcadia Nickel Corporation Limited and one-half of its 4,000,007 issued and 999,993 unissued shares of the par value of \$1 each were cancelled pro rata and the authorized capital was increased by the creation of 5,000,000 additional shares of the par value of \$1 each.
3. Names, addresses and chief occupations for the past five years of officers and directors.	See Schedule 'B' on page 3.
4. Share capitalization showing authorized and issued and outstanding capital.	The authorized capital of the Company consists of 7,500,000 shares of the par value of \$1 each, of which 2,000,003 are issued and outstanding. Following the reorganization there will be approximately 3,155,003 shares outstanding, for particulars of which see Schedule "A" attached on page 2.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding or proposed to be issued.	There are presently outstanding \$1,500,000 6% First Mortgage Sinking Fund Bonds of the Company. See the attached Plan of Compromise or Arrangement and Schedule "A" attached for particulars of the proposed amendments in respect of such Bonds and the proposed issue of General Mortgage Debentures by the Company to certain creditors of the Company and its subsidiary AER Nickel Corporation Limited.
6. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	See Schedule "C" attached on page 4.
7. Details of any treasury shares now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	S.J. Brooks & Co. acting on behalf of AER Investments Limited has agreed to subscribe for 510,000 shares of the par value of \$1 each at prices of 35¢, 40¢, 45¢ and 50¢ per share for an aggregate consideration of \$210,000. AER Investments Limited has agreed to accept shares of the par value of \$1 each at prices of 35¢, 40¢, 45¢ and 50¢ per share in satisfaction of the existing indebtedness of the Company and AER Nickel Corporation Limited to AER Investments Limited and to the Canadian Bank of Commerce. The agreements herein referred to are subject to the approvals of the Toronto Stock Exchange and the Canadian Stock Exchange, the listing of the additional shares on said Exchanges, and the permission of the Quebec Securities Commission to issue and trade in the underwritten shares. Of the shares issued to AER Investments Limited in satisfaction of existing indebtedness as aforesaid 90% are to be escrowed during the pleasure of the Toronto Stock Exchange and the Canadian Stock Exchange.
8. Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	AER Investments Limited, 137 Wellington St. West, Toronto. The only persons having any interest, direct or indirect, in AER Investments Limited are: Allen Elias Rosen, "Arcadia", Mississauga Rd., Port Credit, Ont. Flora Rosen, "Arcadia", Mississauga Rd., Port Credit, Ont., and Ceil R. Mallen, 800 Eglinton Ave. West, Toronto, Ont.
9. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	430,000 shares are presently escrowed with Guaranty Trust Company of Canada subject to release pro rata to the parties entitled thereto only on the written consents of the Ontario Securities Commission and a majority of the Directors of the Company, and subject also to transfer, hypothecation, assignment or other alienation only on the consent in writing of the Ontario Securities Commission. Following the reorganization there will be an approximately 468,000 additional shares escrowed during the pleasure of the Toronto Stock Exchange and the Canadian Stock Exchange, for particulars of which see item 7 above and Schedule "A" attached on page 2.
10. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Samuel Cigien, 121 Richmond St. W., Toronto - 22,500 shares Bud Knight, 25 Adelaide St. W., Toronto - 25,000 shares Allen Elias Rosen, "Arcadia", Mississauga Rd., Port Credit, Ont. - 302,500 shares Andrew Robertson, 121 Richmond St. W., Toronto - 25,000 shares Allen Elias Rosen is the beneficial owner of 265,000 escrowed shares and the beneficial owners of the remaining escrowed shares are not known. Following the reorganization AER Investments Limited will be the owner of approximately 468,000 additional escrowed shares.



This is Schedule "A" to the annexed Filing  
Statement of Associated Arcadia Nickel  
Corporation Limited (No Personal Liability)

The Plans of Compromise or Arrangement proposed by Associated Arcadia Nickel Corporation Limited (hereinafter called "Arcadia") and of AER Nickel Corporation Limited (hereinafter called "AER Nickel") provide briefly for the following:

(a) The holders of the outstanding \$1,500,000 6% First Mortgage Bonds of Arcadia will surrender their existing Bonds and receive an equal principal amount of 1959 First Mortgage Bonds of Arcadia and 45 Common Shares of the par value of \$1 each as presently constituted for each \$500 principal amount of existing Bonds presently held. The said 1959 First Mortgage Bonds will be dated April 1, 1959, mature April 1, 1967, and bear interest at 6% per annum (provided that in lieu of paying interest in cash Arcadia may issue common shares on the basis of one common share for each \$1 of interest owing) and will be convertible into the following number of common shares for each \$500 1959 First Mortgage Bond: from April 1, 1959 to March 31, 1961, 400 shares; from April 1, 1961 to March 31, 1964, 350 shares; from April 1, 1964 to March 31, 1967, 300 shares. The 1959 First Mortgage Bonds will be secured in the same manner as the existing Bonds and Arcadia will contribute 60% of its net profit after taxes into a sinking fund for the retirement of 1959 First Mortgage Bonds. Each \$500 principal amount of 1959 First Mortgage Bonds will carry detachable "B" share purchase warrants entitling the holders thereof to purchase 200 common shares of Arcadia at \$1.25 each up to March 31, 1966.

(b) Arcadia has authorized the issue of General Mortgage Debentures to mature March 1st, 1969, bearing no interest, and to be secured by a floating charge on all the undertaking, assets and property of Arcadia and AER Nickel, subject to the existing charge and mortgage in favour of the Bondholders. The General Mortgage Debentures will be issued in the aggregate principal amount required to be issued to the Arcadia and AER Nickel creditors as hereinafter mentioned and will be convertible into New Shares from September 1, 1960 to August 31, 1965 at \$2 per share and thereafter until maturity at \$2.50 per share. Arcadia will contribute 15% of its net earnings to a sinking fund for the retirement of General Mortgage Debentures. Arcadia will pay its unsecured creditors and the unsecured creditors of AER Nickel 5% in cash on the effective date of the proposal, 5% within 120 days of the said effective date and the remaining 90% will be satisfied by the issue of General Mortgage Debentures on a dollar for dollar basis. The persons claiming mechanics' liens against the property of AER Nickel will be paid 10% in cash on the effective date of the proposal and the remaining 90% will be satisfied by the issue of General Mortgage Debentures on a dollar for dollar basis.

(c) The maturity date of the outstanding Note of AER Nickel in favour of Arcadia will be extended to April 1, 1960.

(d) Amounts borrowed by the Receiver and Manager (approximately \$30,000), amounts advanced to the Receiver and Manager by Allen E. Rosen (approximately \$45,000) and the fees and expenses of the Receiver and Manager (estimated at \$25,000), amounts owing to the Department of National Revenue and the Workmen's Compensation Board (Ontario) (approximately \$12,000) will be paid in cash on or within 10 days after October 30th, 1959.

(e) Common shares will be issued to AER Investments Limited in satisfaction of the indebtedness of Arcadia and AER Nickel to that company, including indebtedness acquired by that company from The Canadian Bank of Commerce. This total indebtedness is approximately \$220,000.

Following the reorganization there will be securities of Arcadia outstanding as follows:

<u>Bonds</u>	
1959 First Mortgage Bonds maturing April 1, 1967 (exchanged for existing 6% First Mortgage Bonds)	\$1,500,000

<u>Debentures</u>	
General Mortgage Debentures maturing March 1, 1969 (issued to creditors of Arcadia and AER Nickel in partial satisfaction of indebtedness) (approximate)	\$500,000

<u>Common Shares</u>	
Outstanding prior to reorganization	2,000,003
Issued to bondholders	135,000
Issued pursuant to underwriting agreement for \$210,000	500,000
Issued to AER Investments Limited in satisfaction of indebtedness (approximate)	520,000
	<u>3,155,003</u>

<u>Warrants</u>	
300,000 existing warrants entitling holders to purchase common shares at \$5.00 each up to March 31, 1962	
600,000 "B" Warrants issued with 1959 First Mortgage Bonds entitling holders to purchase common shares at \$1.25 each up to March 31, 1966	

Common Shares will be reserved as follows:

For holders of existing warrants	300,000
For holders of "B" warrants	600,000
For conversion of 1959 First Mortgage Bonds (maximum)	1,200,000
For interest on 1959 First Mortgage Bonds (maximum)	900,000
For conversion of General Mortgage Debentures (maximum)	250,000
	<u>3,250,000</u>

The \$210,000 received pursuant to the underwriting agreement between Arcadia and S. J. Brooks & Co. will be applied approximately as follows:

Amount borrowed by Receiver and Manager	30,000
Amounts advanced to Receiver and Manager by Allen E. Rosen	45,000
Fees and expenses of Receiver and Manager	25,000
Department of National Revenue and Workmen's Compensation Board (Ontario)	12,000
Arcadia and AER Nickel creditors (including lienholders)	33,000
Reorganization expenses	25,000
	<u>\$170,000</u>
Available for general corporate purposes	<u>40,000</u>
	<u>\$210,000</u>

An additional amount of approximately \$16,000 will be payable to unsecured creditors of Arcadia and AER Nickel under the Plans of Compromise within 120 days after the effective dates of the Plans, which effective dates are expected to be about October 31, 1959.

All moneys paid by Arcadia on behalf of AER Nickel and the principal amount of General Mortgage Debentures required by AER Nickel to carry out the terms of its proposal as aforesaid will be payable by AER Nickel to Arcadia on demand.



This is Schedule "B" to the annexed Filing  
Statement of Associated Arcadia Nickel  
Corporation Limited (No Personal Liability)

Rosen, Allen Elias

President and Director,

"Arcadia"  
Mississauga Road,  
Port Credit, Ontario.

Prospector, engaged in prospecting for  
mineral deposits and exploring and  
developing the same for the past five  
years.

Smith, Van Hoose

Vice-President and Director,

90 Strathallen Boulevard,  
Toronto 12, Ontario.

Metallurgical Engineer, retired as  
technical representative of North  
American Cyanamid Limited July 1st,  
1958, presently an independent con-  
sultant.

Robertson, Andrew

Director,

121 Richmond Street West,  
Toronto 1, Ontario.

Mining Engineer, has been engaged in  
managing various mining operations  
and an officer and director of several  
companies including Cobalt Consolidated  
Mining Corporation Limited, Nickel  
Mining and Smelting Corporation and  
North American Rare Metals Limited.

Thomson, Roy Herbert

Director,

Kemsley House,  
Grays Inn Road,  
London, W. C. 1.,  
England.

Publisher and Radio Station owner, has  
been an officer and director of Thomson  
Newspapers Limited and Northern Broad-  
casting Company Limited.

Smith, J. Dumaresq

Director,

Roches Point,  
Ontario.

Stockbroker, being a partner of S. J.  
Brooks & Co., members of the Toronto  
Stock Exchange, who has been associated  
with numerous mining companies.

Shore, Abraham Bernard

Director,

96 Lake Avenue,  
Newton Centre 59,  
Massachusetts, U.S.A.

Attorney, and has been associated with  
Bonded Oil System Incorporated of Boston,  
Mass., and has been engaged in the dis-  
tribution of petroleum products of that  
Corporation since 1934.

Anderson, James Murray

Secretary-Treasurer and Director,

30 Bayview Ridge,  
Willowdale, Ontario.

Has carried on his profession as a  
Corporation Secretary for the past  
five years.



This is Schedule "C" to the annexed Filing  
Statement of Associated Arcadia Nickel  
Corporation Limited (No Personal Liability)

<u>ALLEN ELIAS ROSEN</u>	"Arcadia", Mississauga Road, Port Credit, Ontario --	312,500 shares
<u>GEE &amp; CO.</u>	25 King Street West, Toronto, Ontario --	138,600 shares
<u>BANSCO &amp; CO.</u>	44 King Street West, Toronto, Ontario --	58,850 shares
<u>BUD KNIGHT</u>	25 Adelaide Street West, Toronto, Ontario --	50,000 shares
<u>SAVARD &amp; HART</u>	230 Notre Dame West, Montreal, Quebec --	47,800 shares

Allen Elias Rosen is the beneficial owner of approximately 380,660 shares, of which 265,000 are escrowed shares, and the beneficial owners of the other shares are not known.

## FINANCIAL STATEMENTS

ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED  
(No Personal Liability)  
Incorporated under the Quebec Mining Companies Act

BALANCE SHEET AS AT SEPTEMBER 30, 1959

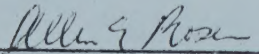
### - A S S E T S -

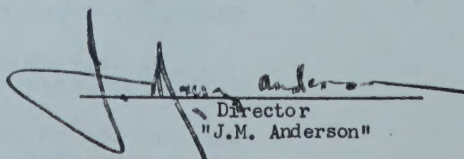
Accounts receivable		\$	741.94
Sundry Deposits			26,849.80
Investments, at cost			686.00
Investment in and advances to subsidiary			
AER Nickel Corporation Limited: (See Note 2)			
Investment, at cost - 4,350,000 shares	\$1,987,500.00		
Advances	<u>2,862,911.24</u>		
			4,850,411.24
Mining claims and rights: (See note 4)			35,400.00
Equipment, at cost			5,290.00
Surplus equipment at Mindamar property, at nominal value			1.00
Deferred charges			<u>805,399.52</u>
			<u>\$5,724,779.50</u>

### - L I A B I L I T I E S -

Receivership accounts: (See Note 2)			
Bank loans under Receiver's Certifi- cates	\$ 27,000.00		
Accrued receiver's fees and expenses, less cash balances on hand	<u>25,378.23</u>	52,378.23	
Bank overdraft		77,740.71	
Accounts payable		52,932.65	
Directors' and other advances		145,559.49	
Accrued bond interest		<u>180,000.00</u>	\$ 508,611.08
First mortgage sinking fund bonds, 6%, due April 1, 1962 (See Notes 2 and 3)			1,500,000.00
Shareholders' Equity:			
Capital Stock: (See Notes 1 and 5)			
Authorized: 7,500,000 shares of \$1.00 par value each			
Issued and paid: 2,000,003 shares at \$1.00 each		\$2,000,003.00	
Surplus from disposal of assets		41,161.42	
Contributed surplus created on reorganization	<u>1,675,004.00</u>		<u>3,716,168.42</u>
			<u>\$5,724,779.50</u>

CERTIFIED CORRECT:

  
\_\_\_\_\_  
Director  
"A.E. Rosen"

  
\_\_\_\_\_  
Director  
"J.M. Anderson"



ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED  
(No Personal Liability)

STATEMENT OF DEFERRED CHARGES

AS AT SEPTEMBER 30, 1959

Incorporation and organization expense \$ 5,971.90

Exploration and development:

Assaying and testing	\$ 336.90
Building maintenance	22,245.90
Diamond Drilling	66,332.70
Drafting, reproduction and maps	2,182.52
Engineering and geologists	35,438.50
Field office expenses	4,330.36
General exploration and development	85,055.46
General prospecting	20,081.09
Government fees and expenses	1,247.64
Mindamar expenses	6,195.33
Miscellaneous	1,311.81
Municipal taxes	7,644.59
Supplies	868.60
Wages	4,743.98
	\$ 253,015.38
<u>Deduct</u> Sundry income from Toburn property	36,536.84
	\$ 221,478.54
<u>Deduct</u> Expenditures on abandoned claims	92,274.37
	\$ 129,204.17

Administration:

Advertising and public relations	\$ 80,160.82
Bond interest	209,720.55
Directors' expenses	3,155.10
Executives' salaries and expenses	83,880.37
General office services	18,589.93
Government fees	967.40
Insurance	8,256.96
Legal and audit	43,121.59
Licenses in mortmain	1,500.00
Listing fees and expenses	11,751.27
Loss on sale of investments	29,206.32
Miscellaneous	11,428.67
Office salaries	30,290.19
Telephone	17,153.43
Transfer agent's fees	14,435.72
Receiver's fees and expenses	30,379.17
	\$ 593,997.49
<u>Deduct</u> Interest earned	13,774.04
	\$ 580,223.45

Bond discount \$ 90,000.00

\$ 805,399.52

ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED  
(No Personal Liability)

STATEMENT OF SURPLUS FROM DISPOSAL OF ASSETS

Period from February 23, 1953, the date of incorporation,  
to September 30, 1959

Surplus from sale of property \$ 574,405.83

Deduct

Write-down of equipment from Mindamar Metals Corporation Limited, less subsequent sales	\$ 275,711.99
Abandoned Claims and Leases: Cost	\$ 165,258.05
Exploration and development expen- ditures related thereto	92,274.37
	257,532.42
	533,244.41

Surplus from disposal of assets,  
September 30, 1959 \$ 41,161.42



ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED  
(No Personal Liability)  
Incorporated under the Quebec Mining Companies Act

NOTES TO THE BALANCE SHEET

1. By Supplementary Letters Patent dated August 21st, 1959 -
  - (a) The authorized capital of the company was reduced from \$5,000,000.00 to \$2,500,000.00 by the cancellation pro rata of one-half of the 4,000,007 issued shares of the par value of \$1.00 each and one-half of the 999,993 unissued shares of the par value of \$1.00 each.
  - (b) The authorized capital of the company was increased from \$2,500,000.00 to \$7,500,000.00 by the creation of 5,000,000 additional shares of a par value of \$1.00 each.
  - (c) The name of the company was changed from Arcadia Nickel Corporation Limited (No Personal Liability) to Associated Arcadia Nickel Corporation Limited (No Personal Liability).
2. By order of the Supreme Court of Ontario on January 17, 1958, Guaranty Trust Company of Canada was appointed Receiver and Manager of Arcadia Nickel Corporation Limited and of AER Nickel Corporation Limited under the terms of the deeds and agreements securing the First Mortgage Sinking Fund Bonds of Arcadia Nickel Corporation Limited. Included in advances of \$2,862,911.24 to AER Nickel Corporation Limited is an amount of \$68,681.21 representing net disbursements paid by the Receiver on that company's account.
3. The trust deed under which the First Mortgage Sinking Fund Bonds were issued required the establishment of a sinking fund to provide for the retirement of \$400,000.00 principal amount of bonds annually in each of the years 1959 to 1961 inclusive. No payments into such a fund have yet been made.
4. Mining claims and rights are valued at the consideration given therefor, namely 900,000 shares of capital stock at 10¢ per share, 50,000 shares of capital stock at \$1.00 per share and \$454,488.20 cash, less subsequent sales valued at \$400,288.20 and abandoned claims valued at \$158,800.00. On reorganization of the company (See note 1) said shares were reduced on the basis of one new share for each two old shares.  
  
Included in mining claims and rights is \$25,000.00 covering the cost of real property, buildings, works and plant of the property formerly known as Toburn Mine.
5. Share purchase warrants are outstanding covering 300,000 shares of the capital stock of the company at \$5.00 per share to be exercised on or before March 31, 1962.

These are the notes referred to in the Balance Sheet dated September 30, 1959.

ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED  
(No Personal Liability)

Statement of Source and Disposition of Funds

For the nine months ended September 30th, 1959

<u>Working Capital Comparison:</u>	<u>December 31,</u> <u>1958</u>	<u>September 30,</u> <u>1959</u>
Current Assets	\$ 29,131.04	\$ 28,277.74
Current Liabilities	<u>412,701.16</u>	<u>508,611.08</u>
Working Capital Deficiency	\$ 383,570.12	\$ 480,333.34
Increase in Working Capital Deficiency	<u>96,763.22</u>	<u>                    </u>
	<u>\$ 480,333.34</u>	<u>\$ 480,333.34</u>

Increase in Working Capital Deficiency  
Accounted for as follows:

Disposition of Funds:

Advances to subsidiary company	\$ 16,035.88	
Provision for bond interest	67,500.00	
Other expenditures charged to Deferred Charges	<u>14,227.34</u>	<u>\$ 97,763.22</u>

Source of Funds:

Proceeds from sale of equipment		<u>1,000.00</u>
<u>Increase in Working Capital Deficiency:</u> as above		<u>\$ 96,763.22</u>



AER NICKEL CORPORATION LIMITED  
(Incorporated Under the Laws of Ontario)

BALANCE SHEET

SEPTEMBER 30, 1959

A S S E T S

CURRENT

Accounts receivable	\$ 3,428.01	
Amounts on deposit	<u>3,544.25</u>	\$ 6,972.26

FIXED AT COST

Mining properties purchased:		
For 999,985 shares of capital stock	\$ 999,985.00	
For cash	<u>70,150.00</u>	
	\$1,070,135.00	

Buildings	942,895.86	
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Machinery and equipment	<u>1,180,888.98</u>	3,193,919.84
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<u>DEVELOPMENT AND OTHER EXPENSES DEFERRED</u>		1,977,009.14
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<u>INCORPORATION AND REORGANIZATION EXPENSES</u>		<u>5,091.00</u>
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\$5,182,992.24

L I A B I L I T I E S

CURRENT

Bank overdraft	\$ 24,120.45	
Income tax deductions	9,540.32	
Workmen's Compensation Board	1,328.40	
Salaries payable and Holiday pay	9,519.86	
Accounts payable (Note 2)	453,709.41	
Due to directors and advances from other companies	<u>61,455.81</u>	\$ 559,674.25

<u>LOAN PAYABLE TO PARENT COMPANY</u>		2,862,911.24
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CAPITAL

Authorized: 5,000,000 shares of \$1.00 each  
Issued:

	<u>Par Value</u>	<u>Discount</u>	
1,850,015 shares for cash	\$1,850,015.00	\$1,437,500.00	
3,149,985 shares for mining claims and equipment	<u>3,149,985.00</u>	<u>1,050,000.00</u>	
	<u>\$5,000,000.00</u>	<u>\$2,487,500.00</u>	\$2,512,500.00

DEFICIT

Abandoned mining claims acquired for 750,000 shares of the Capital Stock of the Company	\$ 750,000.00		
Development expenses thereon	<u>2,093.25</u>	<u>752,093.25</u>	<u>1,760,406.75</u>
			<u>\$5,182,992.24</u>

CERTIFIED CORRECT:

A.E. Rosen  
Director  
"A.E. Rosen"

J.M. Anderson  
Director  
"J.M. Anderson"

AER NICKEL CORPORATION LIMITED

STATEMENT OF DEFERRED DEVELOPMENT AND OTHER EXPENSES

AS AT SEPTEMBER 30, 1959

Exploration and Development Expenses

Assaying and testing	\$ 44,406.26	
Camp and other maintenance	106,836.12	
Engineering and Geological salaries and expenses	55,899.59	
General	69,631.41	
Road building and maintenance	80,526.89	
Shaft expenditures	346,902.52	
Surface, electrical, air and water	102,255.30	
Surface exploration, drilling, field geology	30,700.05	
Underground development	788,960.87	
Unallocated expenditures for materials and supplies	<u>118,355.42</u>	\$1,744,474.43

Administration Expenses

Communications	\$ 17,365.99	
Employee benefits	29,468.44	
General	6,569.43	
Insurance	45,289.99	
Legal, Audit and Corporate expenses	8,619.22	
Management salaries	44,700.00	
Office salaries and expenses	<u>80,521.64</u>	232,534.71

\$1,977,009.14



AER NICKEL CORPORATION LIMITED

NOTES TO THE BALANCE SHEET

1. The Company has been in Receivership since January 17, 1958 under the terms of an order by the Supreme Court of Ontario of that date.
2. Mechanics' Liens in an aggregate amount of \$164,079.42, some of which are disputed by the Company, have been filed against the property of the Company.
3. The Company has unconditionally guaranteed the payment of principal, premiums and interest in respect of the \$1,500,000.00 first mortgage sinking fund bonds of its parent company, Associated Arcadia Nickel Corporation Limited, and has given a first mortgage on all of its assets as collateral security for the performance of its obligations under such guarantee.

These are the notes referred to in the  
Balance Sheet dated September 30, 1959.

AER NICKEL CORPORATION LIMITED

Statement of Source and Disposition of Funds

For the nine months ended September 30th, 1959

<u>Working Capital Comparison:</u>	<u>December 31, 1958</u>	<u>September 30, 1959</u>
Current Assets	\$ 6,972.26	\$ 6,972.26
Current Liabilities	<u>553,803.04</u>	<u>559,674.25</u>
Working Capital Deficiency	\$ 546,830.78	\$ 552,701.99
Increase in Working Capital Deficiency	<u>5,871.21</u>	
	<u>\$ 552,701.99</u>	<u>\$ 552,701.99</u>

Increase in Working Capital Deficiency  
Accounted for as follows:

Disposition of Funds:  
Expended on -

Camp and other maintenance	\$ 22,430.04	
Administrative and general expenses	<u>7,881.85</u>	\$ 30,311.89

Source of Funds:

Advances from parent company	\$ 16,035.88	
Proceeds from sales of equipment	<u>8,404.80</u>	<u>24,440.68</u>
<u>Increase in Working Capital Deficiency: as above</u>		<u>\$ 5,871.21</u>



ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED  
(No Personal Liability)  
(Incorporated under the Quebec Mining Companies Act)

Pro Forma Balance Sheet as at September 30th, 1959.  
(after giving effect to the proposed reorganization as  
set out in the Plans of Compromise or Arrangement  
between the Company, its Subsidiary, and their Creditors)

A S S E T S

CURRENT:

Cash	\$	37,617.24	
Accounts receivable		741.94	
Sundry deposits		26,849.80	
Investments, at cost		686.00	\$ 65,894.98

INVESTMENT IN AND ADVANCES TO SUBSIDIARY  
AER NICKEL CORPORATION LIMITED:

Investment, at cost - 4,350,000 shares	\$	1,987,500.00	
Advances		3,406,732.56	5,394,232.56

FIXED:

Mining claims and rights	\$	35,400.00	
Equipment, at cost		5,290.00	
Surplus equipment at Mindamar property, at nominal value		1.00	40,691.00

DEFERRED CHARGES: (Including reorganization  
expenses estimated at \$ 25,000.00)

651,550.59

\$ 6,152,369.13

L I A B I L I T I E S

CURRENT:

Accounts payable (to Arcadia creditors within 120 days)	\$	3,550.06
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1959 FIRST MORTGAGE BONDS: 6%, due April 1, 1967 1,500,000.00

GENERAL MORTGAGE DEBENTURES: due March 1, 1969 503,751.65

CAPITAL:

Authorized: 7,500,000 shares of a par value of \$1.00 each  
Issued: 3,172,801 shares at \$ 2,563,902.00

SURPLUS:

Surplus from disposal of assets	41,161.42	
Contributed surplus created on reorganization	1,540,004.00	4,145,067.42

\$ 6,152,369.13

NOTE: The Company owes \$13,500.00 in customs duties, not included above, in respect of a hoist purchased and presently being warehoused in bond. The said duties are payable before removal of the hoist from bond, and, in any event, not later than March 12th, 1960. In the event that the Company does not require the hoist by such date, it proposes to apply for an extension of time for payment, failing which it is proposed to pay the said duties at that time.

V. H. Smith  
"V.H. Smith" Director

J. M. Anderson  
"J.M. Anderson" Director

AER NICKEL CORPORATION LIMITED  
(Incorporated under the Laws of Ontario)

Pro Forma Balance Sheet as at September 30, 1959  
(after giving effect to the proposed reorganization  
as set out in the Plans of Compromise or Arrangement  
between the Company, its Parent Company, and  
their Creditors)

A S S E T S

CURRENT:

Accounts receivable	\$	3,428.01	
Amounts on deposit		3,544.25	\$ 6,972.26

FIXED: (at cost)

Mining properties	\$	1,070,135.00	
Buildings		942,895.86	
Machinery and equipment		1,180,886.98	3,193,919.84

DEVELOPMENT AND OTHER EXPENSES DEFERRED: 1,977,009.14

INCORPORATION AND REORGANIZATION EXPENSES: 5,091.00

\$ 5,182,992.24

L I A B I L I T I E S

CURRENT:

Accounts payable (to creditors within 120 days)	\$	15,852.93
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LOAN PAYABLE TO PARENT COMPANY: 3,406,732.56

CAPITAL:

Authorized: 5,000,000 shares of a par value of \$1.00 each  
Issued: 5,000,000 shares at \$ 2,512,500.00

DEFICIT:

Abandoned mining claims acquired for 750,000 shares	\$	750,000.00	
Development expenses thereon	2,093.25	752,093.25	1,760,406.75

\$ 5,182,992.24

V. H. Smith  
"V.H. Smith" Director

J. M. Smith  
"J.M. Smith" Director



11. Brief statement of company's chief development work during past year.	The Company has been in receivership for the past year and consequently has done no development work.
12. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to maintain on a caretaking basis the nickel-copper mine, buildings and equipment of its subsidiary company, AER Nickel Corporation Limited, at Worthington, Ontario, and also to develop and explore other interesting areas of this property. It also proposes to bring the property into production at such time as the price to be received under a contract for the sale of the nickel-copper concentrates would make production profitable. The Company also proposes to investigate and develop surface showings of gold-bearing ores on its Toburn property in the Kirkland Lake Mining area. The proceeds of sale of the treasury shares will be used to carry out the provisions of the Plan of Compromise or Arrangement of AER Nickel and the Company and for the above-mentioned purposes.
13. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Company owns 200 shares of Nickel Mining and Smelting Corporation purchased at a cost of \$686 and having a present market value of \$190. The Company owns 4,350,000 shares of AER Nickel Corporation Limited acquired at a cost of \$1,987,500 and holds an unsecured Note of that Company for \$2,846,875.36 issued in consideration for advances made to that Company in the same amount.
14. Brief statement of any lawsuits pending or in process against company or its properties.	On January 17, 1958 Guaranty Trust Company was appointed Receiver and Manager of the Company and its subsidiary, AER Nickel Corporation Limited. Actions have been commenced against AER Nickel Corporation Limited under the Mechanics' Lien Act (Ontario) and a petition in bankruptcy has been filed against that company. It is expected that these actions will be terminated on implementation of the said Plans of Compromise shortly after October 31, 1959.
15. Names and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No person has shareholdings which are enough to materially affect control of the Company, but Mr. A. E. Rosen is in a position to materially affect control of the Company if he is able to obtain proxies from the largest shareholders of the Company.
16. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable.
17. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable.
18. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.
19. Statement of any other material facts and if none, so state.	None.

DATED October 7, 1959

#### CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 2 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.) ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED (No Personal Liability)

"A.E. Rosen" *A.E. Rosen* CORPORATE  
 "J.M. Anderson" *J.M. Anderson* SEAL

#### CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 2 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

S. J. BROOKS & CO.

"S.J. Brooks" by: *S.J. Brooks*



# TORONTO STOCK EXCHANGE

FILING STATEMENT No. 776.  
FILED, JULY 26th. 1962.

ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED (NO PERSONAL LIABILITY)

AUG 17 1962

Full corporate name of Company  
Incorporated as Arcadia Nickel Corporation Limited under the provisions of  
The Quebec Mining Companies Act by Letters Patent dated February 23rd, 1953  
and changed to Associated Arcadia Nickel Corporation Limited by Supplementary  
Particulars of incorporation (e.g., incorporated under Part IV of the Corporations Act, 1953) Letters Patent dated  
(Ontario) by Letters Patent dated May 1st, 1957. August 21st, 1959.

## FILING STATEMENT

Reference is made to previous  
Filing Statement No. 369.

(To be filed with respect to any material change in a company's affairs, including among other things,  
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Sale of 400,000 unissued shares and options on a further 600,000 shares.
2. Head office address and any other office address.	The Head Office of the Company is at 56 Wellington Street North, Sherbrooke, Quebec. The principal office of the Company is at Suite 605, 137 Wellington Street West, Toronto.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule "A" attached on page 2.
4. Share capitalization showing authorized and issued and outstanding capital.	The authorized capital of the Company consists of 7,500,000 shares of the par value of One Dollar (\$1) each. Issued and outstanding as at July 16, 1962, 3,746,375.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Bonds - 6% First Mortgage Bonds due April 1, 1967 - \$1,182,500 General Mortgage Debentures (non-interest bearing) - \$375,881.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Davidson & Company, acting on behalf of AER Investments Limited, has agreed to purchase 400,000 shares of the capital stock of the Company at 30¢ per share (\$120,000) and upon payment (due within two (2) days of the acceptance for filing of Filing Statements by the Toronto and Canadian Stock Exchanges) receives options to purchase further shares as follows: 200,000 @ 35¢ within 3 months thereafter; 200,000 @ 40¢ within 6 months thereafter; 200,000 @ 50¢ within 9 months thereafter;  600,000 "B" Warrants are outstanding entitling the holders to purchase a total of 600,000 shares of the Company to March 31st, 1966, at \$1.25 per share.  827,750 shares of the Company are reserved for the conversion of 1959 First Mortgage Bonds; and 187,941 shares are reserved for the conversion of General Mortgage Debentures.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	More than 5% of the issued shares of AER Investments Limited are understood to be beneficially owned by each of: Allen Elias Rosen, "Arcadia", Mississauga Rd, Port Credit, Ont Flora Rosen, "Arcadia", Mississauga Rd, Port Credit, Ont. Ceil R. Mallen, 800 Eglinton Ave. West, Toronto, Ont., and no others. AER Investments Limited has agreed to sell to The Progress Drilling Company Ltd, 200,000 shares of the capital stock of Associated Arcadia Nickel Corporation Limited at 30¢ per share, plus brokerage.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Nil.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company plans to commence a drilling programme to prove the continuity of ore below the 950 foot level in order to increase the indicated tonnage. The proceeds of sale of Treasury shares will be used to retire a bank loan of approximately \$42,000, to pay approximately \$60,000 for the above-mentioned drilling programme and the balance on account of future and accrued operating expenses. Any further monies received by the Company as a result of the exercise of the above-mentioned options will be spent for further development and mining work on the mining properties of the Company now held and for general administrative expenses, unless a further filing statement be submitted showing a contrary intention.



This is Schedule "A" to the annexed Filing  
Statement of Associated Arcadia Nickel  
Corporation Limited (No Personal Liability)

Rosen, Allen Elias

President and Director

"Arcadia"  
Mississauga Road,  
Port Credit, Ontario.

Prospector, engaged in prospecting for  
mineral deposits and exploring and  
developing the same for the past five  
years.

Smith, Van Hoose

Vice-President and Director

90 Strathallen Boulevard,  
Toronto 12, Ontario.

Metallurgical Engineer, retired as  
technical representative of North  
American Cyanamid Limited July 1st,  
1958, presently an independent con-  
sultant.

Robertson, Andrew

Director

121 Richmond Street West,  
Toronto 1, Ontario.

Mining Engineer, has been engaged in  
managing various mining operations  
and an officer and director of several  
companies including Cobalt Consolidated  
Mining Corporation Limited, Nickel  
Mining and Smelting Corporation and  
North American Rare Metals Limited.

Thomson, Roy Herbert

Director

Kemsley House,  
Grays Inn Road,  
London, W.C.1.,  
England.

Publisher and Radio Station owner, has  
been an officer and director of Thomson  
Newspapers Limited and Northern Broad-  
casting Company Limited.

Smith, J. Dumaresq

Director

Roches Point,  
Ontario.

Stockbroker, being a director of E. H. Pooler  
& Co. Ltd., members of the Toronto Stock  
Exchange, who has been associated with numerous  
mining companies.

Anderson, James Murray

Secretary-Treasurer and Director

30 Bayview Ridge,  
Willowdale, Ontario,

Has carried on his profession as a  
Corporation Secretary for the past  
five years.

Hogarth, William Langill Jr.

Assistant Secretary-Treasurer and Director

120 Dundas Street East,  
Cooksville, Ontario.

Has carried on his avocation of an  
Executive Secretary for the past  
five years.



# FINANCIAL STATEMENTS

## ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

(No Personal Liability)

Incorporated under the Quebec Mining Companies Act

### BALANCE SHEET

JUNE 30, 1962

#### ASSETS

Accounts receivable		\$	1,273.19
Deposits with the Hydro-Electric Power Commission of Ontario			24,925.43
Investment, at cost			686.00
Investment in and advance to subsidiary, AER Nickel Corporation Limited:			
Investment, at cost, 4,350,000 shares	\$1,987,500.00		
Advances	<u>3,520,224.78</u>	5,507,724.78	
Land, buildings, works and plant of the property formerly known as Toburn Mine			24,138.00
Equipment, at cost			5,735.00
Surplus equipment at Mindamar property, at nominal value			<u>1.00</u>
			<u>\$5,564,483.40</u>

#### LIABILITIES

Bank loan and overdraft	\$	40,876.33	
Accounts payable and accrued expenses		68,459.36	
Directors' and other advances		22,369.80	
Accrued interest on 1959 first mortgage bonds		<u>17,737.50</u>	\$ 149,442.99
1959 first mortgage sinking fund bonds, 6% redeemable and convertible, due April 1, 1967	\$1,182,500.00		
General mortgage sinking fund debentures, non-interest bearing, redeemable and convertible, due March 1, 1969		<u>375,881.00</u>	1,558,381.00
Shareholders' Equity:			
Capital Stock:			
Authorized, 7,500,000 shares, par value \$1.00 per share			
Issued, 3,746,375 shares	\$3,746,375.00		
Deduct: Discount thereon (net)	<u>614,758.00</u>	\$3,131,617.00	
Surplus:			
Contributed surplus on re-organization	\$1,798,166.60		
Deduct: Deficit	<u>1,073,124.19</u>	<u>725,042.41</u>	<u>3,856,659.41</u>
			<u>\$5,564,483.40</u>

Certified Correct:

*Allen E. Nixon* Director

*W. A. S. S.* Director

## ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

(No Personal Liability)

### NOTES TO BALANCE SHEET

AS AT

JUNE 30, 1962

- At its option the company may issue shares of capital stock on any interest payment date in lieu of cash payment of interest, on the basis of one fully paid and non-assessable share for each dollar of interest owing on the 1959 first mortgage bonds.

On April 1, 1962 the company issued shares in full settlement of interest payable on that date.

- The 1959 first mortgage bonds are secured by a first floating charge on assets of AER Nickel Corporation Limited, as well as by a similar charge on assets of the company. AER Nickel is guarantor of the payment of principal and interest on the said bonds.
- The outstanding 1959 first mortgage bonds may be converted into 827,750 shares of capital stock between December 31, 1961 and March 31, 1964, or into 709,500 shares between April 1, 1964 and March 31, 1967.



NOTES TO BALANCE SHEET (Continued)

4. The general mortgage debentures are secured by a floating charge on the assets of AER Nickel Corporation Limited, as well as by a similar charge on assets of the company. AER Nickel is guarantor of payment of said debentures.
5. The outstanding general mortgage debentures may be converted into 187,941 shares of capital stock up to August 31, 1965, or into 150,353 shares between September 1, 1965 and date of maturity.
6. The company is required to establish sinking funds for the retirement of 1959 first mortgage bonds and general mortgage debentures by annual payments to the trustee of 75% of consolidated net earnings of the company and its subsidiaries.
7. Issued capital as at December 31, 1961 is as follows:

	No. of Shares and Par Value
Balance as at December 31, 1961	3,581,780
Issued during six months ended June 30, 1962:	
on conversion of 1959 first mortgage bonds	58,100
on conversion of general mortgage debentures	215
as payment of interest on 1959 first mortgage bonds	71,280
in payment of an account	<u>35,000</u>
	<u>3,746,375</u>

8. Share purchase warrants were issued detachable from first mortgage bonds (since exchanged for 1959 first mortgage bonds) and 1959 first mortgage bonds. Of the outstanding warrants covering 900,000 shares of capital stock as at December 31, 1961, 300,000 expired March 31, 1962.

ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

(No Personal Liability)

STATEMENT OF DEFICIT

SIX MONTHS ENDED JUNE 30, 1962

Deficit at beginning of period	\$1,026,867.57
<u>Add:</u>	
Toburn property expenses	\$ 959.70
Administration expenses	44,904.35
Loss on disposal of equipment	<u>712.00</u>
	<u>46,576.05</u>
	\$1,073,443.62
<u>Deduct:</u>	
Net proceeds from sales of Mindamar equipment written down in prior year	<u>319.43</u>
<u>Deficit at End of Period</u>	<u>\$1,073,124.19</u>

ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

(No Personal Liability)

STATEMENT OF EXPENSES

SIX MONTHS ENDED JUNE 30, 1962

Toburn Property

Automotive expenses	\$ 206.36
Building maintenance	134.06
Field office expenses	1,012.46
Miscellaneous	288.57
Municipal taxes	1,168.39
Wages	<u>2,316.08</u>
	\$ 5,125.92
<u>Deduct:</u>	
Rental income	\$ 2,509.70
Miscellaneous income	<u>1,656.52</u>
	\$ 4,166.22
	\$ 959.70

Administration

Administration fee	\$ 5,250.00
Advertising, public relations and reports to shareholders	2,486.82
Bank charges and interest	877.43
Bond interest	32,070.00
General office services	803.38
Government fees and taxes	448.63
Listing fees	200.00
Miscellaneous	468.09
Transfer agent's and trustees' fees	<u>2,300.00</u>
	<u>44,904.35</u>
	<u>\$45,864.05</u>



ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

FOR THE THIRTY-THREE MONTHS PERIOD ENDED JUNE 30, 1962

	September 30 1959	June 30 1962
<u>Working Capital Comparison</u>		
Current Assets	\$ 28,277.74	\$ 26,884.62
Current Liabilities	<u>508,611.08</u>	<u>149,442.99</u>
Working Capital Deficiency	\$ 480,333.34	\$ 122,558.37
Decrease in Working Capital Deficiency		<u>357,774.97</u>
	<u>\$ 480,333.34</u>	<u>\$ 480,333.34</u>
<u>Decrease in Working Capital Deficiency</u>		
<u>Accounted for as follows:</u>		
<u>Source of Funds</u>		
Contributed surplus on re-organization		
Creditors' balances extinguished	\$ 1,662.60	
Unpaid bond interest extinguished	<u>135,000.00</u>	
	\$136,662.60	
<u>Less, value attached to 135,000</u>		
new shares of capital stock		
issued with 1959 first		
mortgage bonds	<u>13,500.00</u>	\$ 123,162.60
Shares issued		1,131,614.00
General mortgage sinking fund		
debentures issued	482,170.00	
Proceeds from sale of property	862.00	
Proceeds from sale of equipment	<u>53,798.66</u>	\$1,791,607.26
<u>Disposition of Funds</u>		
Advances to subsidiary company	\$ 657,313.54	
Administration and mine expenses	352,284.75	
Redemption of debentures	423,789.00	
Purchase of equipment	<u>445.00</u>	<u>1,433,832.29</u>
<u>Decrease in Working Capital Deficiency - as above</u>		<u>\$ 357,774.97</u>

AER NICKEL CORPORATION LIMITED

(Incorporated under the laws of Ontario)

BALANCE SHEET

JUNE 30, 1962

ASSETS

Cash	\$ 548.09
Amount on deposit	600.00
Mining properties	1,070,135.00
Buildings	942,895.86
Machinery and equipment	1,192,106.48
Development and other expenses deferred	2,114,525.76
Incorporation and re-organization expenses	<u>5,091.00</u>
	<u>\$5,325,902.19</u>

LIABILITIES

Accounts payable and accrued expenses	\$ 40,520.66	
Due to a director	<u>4,750.00</u>	\$ 45,270.66
Loan payable to parent company		3,520,224.78
Shareholders' Equity:		
Capital Stock:		
Authorized, 5,000,000 shares, par value		
\$1.00 per share		
Issued, 5,000,000 shares	\$5,000,000.00	
Deduct: Discount thereon	<u>2,487,500.00</u>	\$2,512,500.00
Deficit	<u>752,093.25</u>	<u>1,760,406.75</u>
		<u>\$5,325,902.19</u>

NOTE: The company has unconditionally guaranteed the payment of principal, premium and interest in respect of the first mortgage sinking fund bonds of its parent company, Associated Arcadia Nickel Corporation Limited, and has given a first mortgage on all its assets as collateral security for the performance of its obligations under such guarantee.

Certified Correct,

*W. R. R. R.*  
Director

*A. J. R. R.*  
Director



AER NICKEL CORPORATION LIMITED

STATEMENT OF SOURCE AND DISPOSITION OF FUNDS

FOR THE THIRTY-THREE MONTHS PERIOD ENDED JUNE 30, 1962

	<u>September 30</u> <u>1959</u>	<u>June 30</u> <u>1962</u>
<u>Working Capital Comparison</u>		
Current Assets	\$ 6,972.26	\$ 1,148.09
Current Liabilities	<u>559,674.25</u>	<u>45,270.66</u>
Working Capital Deficiency	\$552,701.99	\$ 44,122.57
Decrease in Working Capital Deficiency		<u>508,579.42</u>
	<u>\$552,701.99</u>	<u>\$552,701.99</u>

Decrease in Working Capital Deficiency

Accounted for as follows:

Source of Funds

Advances from parent company	\$657,313.54	
Proceeds from sale of equipment	<u>1,675.00</u>	\$658,988.54

Disposition of Funds

Administration and mine expenses	\$137,516.62	
Purchase of equipment	<u>12,892.50</u>	<u>150,409.12</u>
		<u>\$508,579.42</u>

## ENGINEER'S REPORT

Note - The following are excerpts from a report by L.R. Simard, P.Eng., dated July 17th. 1962, on the property of AER Nickel Corporation Limited, Subsidiary of the company, located in Denison Township, Sudbury District, Ont. A complete copy of the report is on file with the Toronto Stock Exchange.

SUMMARY

The property of Associated Arcadia Nickel Corporation Limited is located some 25 miles west of Sudbury and covers a length of some 4200 feet of the Worthington Offset. This is a quartz diorite dyke believed to be a differentiate of the Sudbury Nickel Irruptive. There are three mineralized zones in the offset within the property boundaries. These have been designated from west to east as the Howland, the Robinson and the Rosen zones. All three zones have been investigated by diamond drilling. Underground exploration and development was conducted on the Robinson and Rosen zones to a depth of 950 feet. There are two vertical shafts on the property. No. 1 on the Robinson zone to a depth of 950 feet and No. 2 near the Rosen zone to 1076 feet. These are connected on the 350, 650 and 950-foot levels. There are numerous raises between levels and an ore pass system is complete with fingers and millholes to each slusher drift. Three stopes are silled out ready for production mining.

Grade and tonnage estimates calculated by the mine staff in September 1957 and by M. Watts, an independent engineer, in January 1958 are as follows:

	<u>Mine Staff</u>	<u>M. Watts</u>
<u>Robinson Zone</u>	Surface to 800 level	Surface to 800 level
Copper %	0.74	0.71
Nickel %	0.60	0.62
Tons	653,537	497,749
		800 to 950 (possible only) 100,000
<u>Rosen Zone</u>	200 to 800 level	
Copper %	0.73	
Nickel %	0.60	
Tons	<u>274,560</u>	<u>274,561</u>
Total - Tons	928,097	872,310
Copper %	0.73	
Nickel %	0.60	

In both estimates a dilution factor is used. Neither represents the total tonnage expected, to the respective depths, from the zones as the zones are only partly developed.



As the deposits average 35 to 40 feet in width and are 200 feet in length a low-cost mining method can be expected.

The main surface buildings are erected and mostly sheeted in with some milling equipment installed.

The recommended program consists of boring diamond drill holes, from surface, to test continuity of mineralization below the 1000-ft. horizon. If this continuity in depth can be shown to be fact it would be very important. Among other things the category of reserves can be raised from "potential" to "indicated by diamond drilling". This could improve the picture materially and thus benefit the company in its attempts to finance its way to eventual production.

It is recommended that a minimum of \$60,000 be made available for this purpose. If the holes were bored from underground it would not only take more time but would also take more money as the workings would have to be dewatered and then considerable drifting and cross-cutting done to establish locations from which to drill so as to intersect the orebodies most advantageously.

#### CONCLUSIONS

The subject property is an interesting one in that almost one million tons of nickel-copper material of marginal grade can be quickly and cheaply mined above the 950-foot level. Nearly all the necessary costly pre-production work has been completed. Three stopes are ready for production and two more nearly ready. These reserves have been established from two only of the three known mineralized zones on the property; the third has not been investigated except by surface diamond drilling by previous operators. No exploration nor investigation has been done below the 1000-foot horizon.

Despite the favorable aspects of the property mentioned above, it is apparent that a larger tonnage of reserves would enhance the chances of eventual production considerably. Reserves could probably be developed on the Howland zone by underground work. Although there is no geological evidence to suggest that the mineralization does not continue below the 1000-foot horizon such extension has not been shown.

Of these alternatives the latter could most quickly and cheaply add to "indicated reserves". Also, if the supposition that the mineralization does continue to depth can be shown to be fact, this would be more important than the developing of a limited number of tons in one of the already known mineralized zones on the property. Diamond drilling can be done to test for this downward continuation.

The diamond drilling can be done from underground or from surface. To do so from the underground workings would require the dewatering of the workings and also the driving of considerable lateral work in the way of crosscuts and drifts to reach drill sites from which the mineralized bodies could most advantageously be intersected. It would also require continued pumping out of the workings during the drilling program. Preparation would take considerable time and the whole program would be costly. Results would be obtained much more quickly, and for the limited program planned, at much lesser cost if the drilling is done from surface.

#### RECOMMENDATIONS

It is recommended that a minimum of \$60,000 be made available to bore a series of diamond drill holes from surface to test for the downward continuation of the mineralization in the Robinson and Rosen zones on the property.

Respectfully submitted,



Lionel R. Simard, P. Eng.


Toronto, Ontario  
July 17, 1962

#### CERTIFICATE

I, Lionel R. Simard, of the City of Toronto in the Province of Ontario, hereby certify as follows:

1. That I am a practising Consulting Geologist with offices at Suite 403, 25 Adelaide St. W., Toronto, Ontario and that I am a partner in Simard, Knight and Associates, Mining Consultants.
2. That I am a graduate of Manitoba University and hold the degree of M.Sc. from McGill University in 1934. I am a member of the Association of Professional Engineers of the Province of Ontario. I have been practising my profession as a geologist continuously for over twenty-five years.
3. That I have no interest either directly nor indirectly and I do not expect to receive an interest, either directly or indirectly in the properties or securities of Associated Arcadia Nickel Corporation Limited.
4. That the accompanying report is based on knowledge of the property gained as a result of numerous visits to the property in the period 1955 - 1957 when work was in progress.
5. That this report applies to the Denison Township property of AER Nickel Corporation Limited a subsidiary of Associated Arcadia Nickel Corporation Limited.

DATED at Toronto, Ontario this 17th day of July, 1962.



Lionel R. Simard, P. Eng.



10. Brief statement of company's chief development work during past year.	No development work has been done during the past year.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	No property or other assets is intended to be purchased by the Company.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable - see above.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	(a) 430,000 escrowed with Guaranty Trust Company of Canada subject to usual pro rata release with consent of directors and Ontario Securities Commission. (b) 331,590 escrowed with same company subject to release with approval of Toronto and Canadian Stock Exchanges.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	As to the 430,000 shares mentioned in 13(a):  Samuel Ciglen, 121 Richmond Street West, Toronto - 22,500 shares.  Bud Knight, 25 Adelaide Street West, Toronto - 25,000 shares.  Allen Elias Rosen, "Arcadia", Mississauga Road, Port Credit, Ontario - 302,500 shares.  Allen Elias Rosen is the beneficial owner of 265,000 shares and the beneficial owners of the remaining escrowed shares are not know.  As to the 331,590 shares mentioned in 13(b), AER Investments Limited. (See No. 7 above)
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	Gee & Co., 25 King St.W, Toronto, Ont. - 456,372 shares.  AER Investments Limited, 137 Wellington St.W, Toronto, Ont. - 231,590 shares.  S.J.Brooks & Co., 185 Bay St, Toronto, Ont. - 112,743 shares.  Bache & Co., 360 Bay St, Toronto, Ont. - 93,758 shares.  W.L.Hogarth Jr., 120 Dundas St.E., Cooksville, Ont. - 85,010 shares.  The shares registered in the name of Gee & Co. are beneficially owned by Allen E. Rosen. The Company presumes that the 3rd and 4th blocks of shares listed above are not beneficially owned by the registered holders.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No person has shareholdings which are enough to materially affect control of the Company, but Mr. A.E. Rosen is in a position to obtain proxies from the largest shareholders of the Company.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Company owns 72 and a fraction shares of Nickel Mining & Smelting Corporation which were originally purchased as 200 shares at a cost of \$686 and, after consolidation, having a market value of \$31.90. The Company owns 4,350,000 shares of AER Nickel Corporation Limited, a subsidiary of the Company, acquired at a cost of \$1,987,500. The shares of AER Nickel Corporation Limited have no quoted value.
18. Brief statement of any lawsuits pending or in process against company or its properties.	The only suit in process against the Company is a claim for re-winding two electric motors amounting to \$1,431.75 which the Company is defending on the grounds that the charges were excessive and that the work was done without proper authorization by the Company. The Company has paid \$600 into court with its defence.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	Subject to the acceptance of filing statements by the Toronto Stock Exchange and the Canadian Stock Exchange, the Company proposes to enter into an agreement with the Progress Drilling Company of Port Credit, Ont., to carry out the drilling programme mentioned in No. 9 above.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. There are no shares or the Company in the course of primary distribution to the public at this time, but it is anticipated that there will be public distribution of some or all of the underwritten shares. The Company has accounts payable and accrued expenses of \$68,459.36 which will not be materially reduced by the proceeds of the underwritten shares.

DATED July 17, 1962

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.) ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED (No Personal Liability)

"A.E. Rosen"

"J.M. Anderson"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

SEAL

President

Secretary

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

DAVIDSON & COMPANY

PER:



# THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1321

FILED, JUNE 25th, 1965.

## ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED (No Personal Liability)

Full corporate name of Company

Incorporated as Arcadia Nickel Corporation Limited under the provisions of The Quebec Mining Companies Act by Letters Patent dated February 23rd, 1953 and changed to Associated Arcadia Nickel Corporation Limited by Supplementary Letters Patent dated August 21, 1959.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953

(Ontario) by Letters Patent dated May 1st, 1957). Reference is made to previous

### FILING STATEMENT

Filing Statement No. 776, and

Amending Filing Statement No. 94.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	(a) The sale of 500,000 treasury shares and the granting of options to purchase a further 300,000 treasury shares, more particularly referred to in Item 6 hereof, and (b) the securing of an option to purchase mining claims, more particularly referred to in Item 11 hereof, and (c) an Agreement between AER Nickel Corporation Limited, Sheridan Geophysics Limited and the Company, more particularly described in Schedule "A" on page 3.	
2. Head office address and any other office address.	HEAD OFFICE: Suite 315, 31 King St. W., Sherbrooke, Que. EXEC. OFFICE: Suite 605, 137 Wellington St. W., Toronto.	
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors	President & Director: ALLEN ELIAS ROSEN	"Arcadia" - Mississauga Rd., Port Credit, Ont. Prospector & Developer.
	Vice-Pres. & Director: ANDREW ROBERTSON	- 60 Highland Ave., Toronto, Ont., Mining Engineer.
	Sec.-Treas.: JAMES MURRAY ANDERSON	- 30 Bayview Ridge, Willowdale, Ont., Corporation Sec'y
	Asst. Sec. & Director: WILLIAM LANGILL HOGARTH, JR.	- 120 Dundas St. E. Cooksville, Ont., Executive Sec'y.
	Vice-Pres. & Director: VAN HOOSE SMITH	- 90 Strathallan Blvd., Toronto 12, Ont., Metallurgical Engineer- Retired.
	Director: WILLIAM DAVID PATERSON	- 115 Winston Park Blvd., Downsview, Ont., Executive.
	Director: FREDERICK ALAN COOPER	- 2210 Lake Shore Highway E, Oakville, Ont., Contractor.
4. Share capitalization showing authorized and issued and outstanding capital.	AUTHORIZED : 7,500,000 shares - \$1.00 P.V. ISSUED AND OUTSTANDING: 5,067,647 shares	
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	5% First Mortgage BONDS - due 1 Apr. 1967 - \$1,068,000. Non interest-bearing General Mortgage DEBENTURES - \$ 280,000.	
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Draper Dobie & Company Ltd., acting on behalf of AER Investments Limited, has agreed to purchase 400,000 shares of the capital stock of the Company at the price of 17½¢ per share and 100,000 shares of the capital stock of the Company at the price of 22½¢ per share payable within five (5) days from the effective date and has secured options to purchase 100,000 shares at 22½¢ per share within three (3) months from the effective date and 200,000 shares at 27½¢ per share within six (6) months from the effective date. The effective date is the date upon whichever of the following two events last occurs, namely, the acceptance for filing by the Toronto Stock Exchange of a Filing Statement relating to the Company reflecting this Agreement and the acceptance for filing by the Canadian Stock Exchange of a Filing Statement relating to the Company and reflecting this Agreement. 600,000 'B' Warrants are outstanding entitling the holders to purchase a total of 600,000 shares of the Company to March 31st, 1966 at \$1.25 per share. 640,800 shares of the Company are reserved for the conversion of 1959 First Mortgage Bonds, 143,049 shares are reserved for the conversion of General Mortgage Debentures and 128,160 shares are reserved for the payment of interest on 1959 First Mortgage Bonds.	



7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	AER Investments Limited, Suite 605, 137 Wellington St. W., Toronto, Ontario, more than 5% of the issued shares of which are understood to be beneficially owned by each of: Allen Elias Rosen, "Arcadia", Mississauga Rd., Port Credit, Ont., Flora Rosen, "Arcadia", Mississauga Rd., Port Credit, Ont. and Ceil R. Mallen, 800 Eglinton Ave. W., Toronto, Ont., and no others. Allen Elias Rosen is President and Director of Associated Arcadia Nickel Corp. Ltd.		
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Nil		
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	The Company proposes to expend at least \$25,000.00 on a geophysical survey and diamond drilling of the properties described in Item 11 hereof. The Company's Worthington properties will be brought into production pursuant to the Agreement referred to in Item 1 (c) hereof. No work is contemplated on any other properties of the Company, except for the maintenance thereof. The Company will receive \$92,500.00 from the 400,000 shares underwritten at 17½¢ per share and 100,000 shares at 22½¢ per share as set forth in Item 6 hereof and of this amount \$36,781.75 will be used to pay ordinary creditors of the Company.		
10. Brief statement of company's chief development work during past year.	None		
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	<p>The Company proposes, subject to the approval of its shareholders, to acquire from The Nakhodas Mining Company Limited, Suite 605, 137 Wellington St. West, Toronto, Ontario, for the sum of \$1.00, an option to purchase a 95% interest in patented mining claims P16924, 16925 and 19962, a full interest in patented mining claims P9745, 8709, 8415, HR1212, P6098, P6097, HR1167, 1168, 1169 and 1170, and a 90% interest in patented mining claims 20227, 20206, 20228, 20208, 20207, 20899, 20209, 20216, 20249, 21352, 21351, HR1073, HR1074 and HR1166, all in the Township of Deloro. To exercise the option, the Company must pay to The Nakhodas Mining Company Limited the sum of \$100,000.00 on or before the 20th day of April, 1967.</p> <p><u>NOTE 1:</u> The cost of the interest in the mining claims herein mentioned to The Nakhodas Mining Company Limited was in excess of the said sum of \$100,000.00.</p> <p><u>NOTE 2:</u> The outstanding interests in the mining claims belong to the original prospectors and were never acquired by The Nakhodas Mining Company Limited.</p>		
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Allen E. Rosen, President and Director of Associated Arcadia Nickel Corporation Limited, has more than a 5% interest in The Nakhodas Mining Company Limited.		
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	<p>430,000 shares escrowed with The Guaranty Trust Company of Canada subject to the usual pro rata release with consent of directors and Ontario Securities Commission.</p> <p>Upon issue of the 270,655 shares referred to in Item 20 hereof, the said shares will be deposited in escrow with The Guaranty Trust Company of Canada, 366 Bay Street, Toronto, Ontario, subject to release upon the consent of The Toronto Stock Exchange, and to be released by the Exchange when the Company's Worthington property has been brought into production under the Agreement with Sheridan Geophysics Limited referred to in Item 1 (c) hereof.</p>		
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Allen Elias Rosen Mississauga Road Port Credit, Ont.	237,500	Andrew Robertson 60 Highland Ave. Toronto 5, Ont. 25,000
	Samuel Ciglen 101 Bayview Ridge Willowdale, Ont.	22,500	L. E. Dettner 3434 Redpath Westmount, Que. 25,000
	Est. H.W. Knight, Jr.	50,000	
	Save as herein provided, the Company is not aware of the beneficial owner of any of the said shares.		
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Gairdner &amp; Co. 320 Bay Street Toronto, Ontario 942,880 shares *</p> <p>Gee &amp; Co. 25 King St. W. Toronto 1, Ontario 281,990 shares **</p> <p>Davidson &amp; Co. 25 Adelaide St. W. Toronto 1, Ontario 132,075 shares</p> <p>Thomson &amp; McKinnon 55 Yonge St. Toronto 1, Ontario 124,402 shares</p> <p>Bache &amp; Co. 360 Bay Street Toronto 1, Ontario 108,337 shares</p> <p>* Of these shares 187,500 are held for Allen Rosen.</p> <p>** 200,000 of these shares are included in the shares in the name of Allen Elias Rosen referred to in Item 14 hereof.</p>		



SCHEDULE "A" TO FILING STATEMENT OF ASSOCIATED ARCADIA  
NICKEL CORPORATION LIMITED, DATED JUNE 16TH, 1965

By Agreement of Lease made as of the 1st day of June, 1965 between AER Nickel Corporation Limited (AER) of The First Part and Sheridan Geophysics Limited (Sheridan) of The Second Part and Associated Arcadia Nickel Corporation Limited (Arcadia) of The Third Part, AER demised and leased the premises therein described unto Sheridan for ten (10) years from the 1st day of June, 1965, with the right to Sheridan to renew the lease for a further term of ten (10) years at a yearly rental of \$50.00 and the yearly payment of 50% of the distributable proceeds as defined therein, being the gross receipts realized from the sale of all minerals, ores and metals removed from the lands as well as the proceeds from the disposal or sale of any of the AER Mine assets, as well as the disposition or sale of other buildings, plant, machinery or equipment brought on the lands by Sheridan for the purposes of the lease less (i) all monies expended by Sheridan for the purpose of bringing the lands into production and carrying on mining and reducing operations together with interest at the rate of 6% (ii) all costs incurred or chargeable in connection with the mining operations. The said Agreement also provides that Sheridan will provide whatever amounts of money are reasonably required to bring the lands into production at a rate of at least 500 tons of ore per day. The Agreement provides that if mining operations become uneconomical during the term of the lease then Sheridan shall have the right to suspend operations until the operations become profitable and if any suspension shall be for more than five (5) years AER may terminate the lease on giving notice in writing to Sheridan; subject to suspension of operations as aforesaid if Sheridan is not milling an average of 300 tons of ore per day each day in any calendar month AER may terminate the lease on six (6) months notice to Sheridan. The Agreement provides for arbitration. The Agreement is conditional upon the approval of the shareholders of AER and certain other legal requirements, all of which AER and Arcadia agree to use their best endeavours to meet by July 31, 1965 or within such further period or periods not exceeding three months in total as Sheridan may consent to in writing.

The Agreement is also conditional upon the approval of shareholders of Associated Arcadia Nickel Corporation Limited and the approval of the bond holders and debentures holders of the said Company.



# FINANCIAL STATEMENTS

## ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED (No Personal Liability)

Incorporated under the Quebec Mining Companies Act

### BALANCE SHEET

As of April 1, 1965

#### ASSETS

Cash	\$	1,775.19
Accounts receivable		7,661.74
Investment, at cost		686.00
Investment in and advance to subsidiary, AER Nickel Corporation Limited:		
Investment, at cost, 4,350,000 shares	\$1,987,500.00	
Advances	3,614,377.69	5,601,877.69
Land, buildings, works and plant of the property formerly known as Toburn Mine, at nominal value		1.00
Equipment, at cost		6,484.30
Surplus equipment at Mindamar property, at nominal value		1.00
		<u>\$5,618,486.92</u>

#### LIABILITIES

Bank loans	\$	9,650.00
Accounts payable and accrued expenses		27,131.75
Directors' and other advances		69,430.20
		\$ 106,211.95
1959 first mortgage sinking fund bonds, 6% redeemable and convertible, due April 1, 1967	\$1,068,000.00	
General mortgage sinking fund debentures, non-interest bearing, redeemable and convertible, due March 1, 1969	327,716.00	1,395,716.00
Shareholders' Equity:		
Capital Stock:		
Authorized, 7,500,000 shares, par value \$1.00 per share		
Issued, 5,046,837 shares	\$5,046,837.00	
Deduct: Discount thereon (net)	1,186,326.00	\$3,860,511.00
Surplus:		
Contributed surplus on re-organization	\$1798,166.60	
Deduct: Deficit	1,542,118.63	256,047.97
		4,116,558.97
		<u>\$5,618,486.92</u>

Certified Correct:

W. E. Rosen Director

W. L. Fogarty Director

#### EXPENSES - PERIOD 1 January 1965 - 1 April 1965

##### Administration

Telephone	\$	37.20
Bond Interest		16,020.00
		\$ 16,057.20

Director

Director

#### ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

#### STATEMENT OF DEFICIT

Deficit at beginning of year 1 January 1965	\$ 1,541,561.43
Add - Administration Expenses	16,057.20
Deduct - Write down of payables	15,500.00
Deficit - 1 April 1965	1,542,118.63

Director

Director



## STATEMENT OF SOURCE AND DISPOSITION OF FUND

1 April 1965

	1 April 1965	31 December 1964
Current Assets	\$ 9,436.93	\$ 9,436.93
Current Liabilities	106,211.95	170,743.06
Working Deficiency	96,775.02	161,306.13
Decrease in Working Deficiency	64,533.11	
Decrease in Working Capital Deficiency Accounted for as follows:		
SOURCE OF FUNDS		
Shares issued	\$ 64,080.00	
Write down of Accounts Payable	15,500.00	
Advance to Subsidiary	1,008.31	\$ 80,588.31
DISPOSITION OF FUNDS		
Administration		16,057.20
Decrease in Working Capital Deficiency		\$ 64,533.11

## PRO FORMA BALANCE SHEET

As at May 15th, 1965

ASSETS

Cash		\$ 57,313.24
Accounts receivable		7,661.74
Investment, at cost		686.00
Investment in and advance to subsidiary, AER Nickel Corporation Limited:		
Investment, at cost, 4,350,000 shares	\$1,987,500.00	
Advances	3,614,377.69	5,601,877.69
Land, buildings, works and plant of the property formerly known as Toburn Mine, at nominal value		1.00
Equipment, at cost		6,484.30
surplus equipment at Mindamar property, at nominal value		1.00
		<u>\$5,674,024.97</u>

LIABILITIES

1959 first mortgage sinking fund bonds, 6% redeemable and convertible, due April 1, 1967	\$1,068,000.00	
General mortgage sinking fund debentures, non-interest bearing, redeemable and convertible, due March 1, 1969	286,096.00	1,354,096.00
Shareholders' Equity:		
Capital Stock:		
Authorized, 7,500,000 shares, par value \$1.00 per share		
Issued, 5,837,647 shares	\$5,837,647.00	
Deduct: Discount thereon (net)	1,773,766.00	\$4,063,881.00
Surplus:		
Contributed surplus on re-organization	\$1,798,166.60	
Deduct: Deficit	1,542,118.63	256,047.97
		<u>4,319,928.97</u>
		<u>\$5,674,024.97</u>

Certified Correct:

William J. Rosen Director

                                 Director



# ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

## PRO FORMA BALANCE SHEET

As at May 15th, 1965

Which would reflect:

(1)	The underwriting of 400,000 shs. @ 17 $\frac{1}{2}$ ¢ to realize	\$70,000.00
	100,000 " @ 22 $\frac{1}{2}$ ¢ " " "	22,500.00
	500,000	\$92,500.00
(2)	The underwriting--to retire advances from Directors of	
	100,000 shs. @ 22 $\frac{1}{2}$ ¢ to realize	\$22,500.00
	170,000 " @ 27 $\frac{1}{2}$ ¢ " " "	46,750.00
		\$69,250.00
(3)	Payment of Bank loan of	\$ 9,650.00
	Accounts payable of	27,131.75
	Director's advances of	69,430.20
		\$106,211.95

- - - - -

The stock position as at May 15th, 1965 will be

5,837,647 shares issued

30,000	"	remaining under option
600,000	"	set aside for "B" warrents
143,049	"	" " " General Mortgage Debentures
640,800	"	" " " Bond conversion
64,080	"	" " " 1966 bond interest
64,080	"	" " " 1967 " "

7,379,656 shares

## ENGINEER'S REPORT

Note:-The following are excerpts from a report by S. S. Teal, B. Sc., P. Eng., dated April 20th, 1965, on mining claims located in Deloro Township, near Timmins, Ontario. A complete copy of this report is on file with the Toronto Stock Exchange.

### INTRODUCTION:

The Nakhodas property is situated in Deloro Township, approximately six (6) miles from the town of Timmins, Ontario, with which it is connected by good roads. The property has had a long history, including two producing gold mines - "The Faymar" and "The Nakhodas" - and a number of small asbestos operations. Since the last recorded production in 1942 there have been many changes in the area, in the geological information available, and in the technological approach to the exploration of properties such as the Nakhodas.

Thus, a complete reappraisal of the possibilities of the property is warranted.

### SUMMARY:

The property of the Nakhodas Mining Company Limited consists of twenty-seven patented mining claims, situated in the central section of Deloro Township, Porcupine Mining District, Ontario.

Gold and Asbestos has been mined on the property. Early operations from 1939-42 resulted in gold production estimated at \$885,992. Asbestos production, mainly from the Bowman Pit on claim P-8709, is estimated at approximately \$110,000.

These and other showings on the property attest the presence of mineral occurrences, which should be investigated.

## CONCLUSIONS AND RECOMMENDATIONS:

As only a small section of the property has been subjected to investigation, it is suggested the property warrants a thorough programme.

Initially, this should take the form of a geophysical survey, into which all the known mineral occurrences should be tied. The results of this survey should then be assessed for drilling targets.

A minimum of \$25,000.00 should be made available for the initial programme, if a satisfactory deal is made with Nakhodas Mining Co. Depending on favourable results, further sums will be required.

## HOLDINGS:

The property was originally divided into two properties - the "Faymar Porcupine Gold Mines Limited" and the "Nakhodas Mining Co. Ltd.". The "Faymar" consisted of five (5) claims which were located two (2) miles south of the Buffalo Ankerite Gold Mines Ltd., and Aunor Gold Mines Limited, and two and one half (2½) miles south and west of Preston East Dome Mines Ltd.

These claims comprised 167.5 acres, described as follows:

H.R.-1166, 67, 68, 69 and 1170

The "Nakhodas" property consisted of 22 patented claims adjoining the "Faymar" on the south and west. These claims covered approximately 850 acres, described as follows:

### Patented Claims

P-16924, 5

19962, 9745, 8709, 8415

6097, 8; 20206, 7, 8, 9;

20216, 20227, 8; 24621

20249, 21351, 2;

H.R. 1212, 1073, 4

The two properties were amalgamated under the Nakhodas Mining Co. and comprise approximately 1200 acres.

## ECONOMIC GEOLOGY:

Gold and asbestos are the most important minerals that have, in the past, been exploited on the property.

Of the two, the gold showings, to date, have been the most important, with two veins, the "Faymar" and the "Darling", having been worked. These are quartz veins of the fissure filling type. Both have been investigated by diamond drilling and underground development, with the Faymar sustaining an operation for a number of years, although production was modest (\$885,992 from 121,200 tons).

Asbestos occurs in serpentinized ultra basic rocks and is present as cross-fibre cutting the serpentinized rocks in veins and a natural pattern. It is comparable in quality to the fibre of the Eastern townships of Quebec. The area underlain by these ultra basic rocks is quite extensive but only a small section has been investigated.




On claims P-20207, 20208 and 20228 a strong shear structure strikes east-west. Pyrite, chalcopyrite and small amounts of gold are found in the shear. There is no record of any work done on this structure.

Near the east boundary of claim P-21351 narrow quartz veins in a sequence of amygdaloidal lava and chlorite schist carry low values in gold. These should be investigated.

The Darling vein which outcrops on claim H.R.-1212, about 150 feet west of #4 post, and strikes N 20°W, carried high values on surface (\$50.00 to \$100.00 per ton over narrow widths). A shaft was sunk to a depth of 25 feet, and ten surface drill holes were put down to a depth of 150 feet over a length of 600 feet. Only low gold values were obtained in this work.

These showings warrant a thorough investigation which should be done in conjunction with a general investigation of the entire property.

Respectfully submitted,



S. S. TEAL, B.Sc., P.Eng.

Toronto, Ontario.

April 20th, 1965.

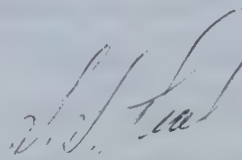
TED. TORONTO.

#### C E R T I F I C A T E

I, SYDNEY S. TEAL, of the city of Don Mills, in the Province of Ontario, hereby certify as follows:

1. That I am a practicing Mining Engineer with business office located at Suite 502, 129 Adelaide St. West, Toronto, 1, Ontario.
2. That I am a graduate of the University of British Columbia, and hold the degree of B.Sc. in Mining Engineering. I have been practising my profession for the past 25 years.
3. That I am a member of the Association of Professional Engineers of the Province of Ontario.
4. That I have no interest either directly or indirectly, nor do I expect to receive any interest directly or indirectly in the property of Nakhodas Mining Company or in the securities of Associated Arcadia Nickel Corporation Limited.
5. That I have not examined the property personally, but have obtained the information contained herein from government reports, reports of previous operations, and of reports of engineers previously connected with the property.

DATED at Toronto, this 20th day of April, 1965.



S. S. TEAL, B.Sc., P.Eng.

LANGRIDGE LIMITED, TORONTO.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No person has shareholdings which are enough to materially control the Company, but Mr. A. E. Rosen is in a position to materially effect control of the Company if he is able to obtain proxies from the largest shareholders of the Company.																		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Company owns 72 and a fraction shares of Nickel Mining & Smelting Corporation which were originally purchased as 200 shares at a cost of \$686.00 and, after consolidation, having a market value of \$31.90. The Company owns 4,350,000 shares of AER Nickel Corporation Limited, a subsidiary of the Company, acquired at a cost of \$1,987,500.00. The shares of AER Nickel Corporation Limited have no quoted value.																		
18. Brief statement of any lawsuits pending or in process against company or its properties.	The only suit in process against the Company is a claim for technical fees and expenses and is under dispute.																		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	Nil																		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>There are no other material facts. There are no shares of the Company in the course of primary distribution to the public at this time, but it is anticipated that there will be public distribution of some or all of the underwritten shares. In addition, there may be public distribution of shares received by bond holders on the surrender of bonds for shares. The persons to whom the sum of \$69,430.20 is owing and referred to on the Balance Sheet of the Company as at April 1st, 1965, as Directors &amp; Other Advances, have agreed that none of the proceeds of the sale of the underwritten shares referred to in Item 6 hereof will be used in payment or part payment therefor, but that they will, subject to the approval of the shareholders, accept the 100,000 shares under option at 22½¢ per share and 170,655 shares under option at 27½¢ per share (being the shares under option to Draper Dobie &amp; Co. Limited and referred to in Item 6 hereof as payment in full of the monies owing to them. The persons to whom the said sum of \$69,430.20 is owing and the number of shares which they will each receive are as follows:</p> <table><tr><td><u>To Whom Owing</u></td><td><u>Amount</u></td><td><u>No. Shares to be Received</u></td></tr><tr><td>J. Murray Anderson</td><td>\$ 4,549.73</td><td>17,730</td></tr><tr><td>Murray Anderson Co.</td><td>10,472.73</td><td>40,810</td></tr><tr><td>A. E. Rosen</td><td>42,003.69</td><td>163,745</td></tr><tr><td>W. Hogarth</td><td>12,404.05</td><td>48,370</td></tr><tr><td>Totals.....</td><td>\$ 69,430.20</td><td>270,655</td></tr></table>	<u>To Whom Owing</u>	<u>Amount</u>	<u>No. Shares to be Received</u>	J. Murray Anderson	\$ 4,549.73	17,730	Murray Anderson Co.	10,472.73	40,810	A. E. Rosen	42,003.69	163,745	W. Hogarth	12,404.05	48,370	Totals.....	\$ 69,430.20	270,655
<u>To Whom Owing</u>	<u>Amount</u>	<u>No. Shares to be Received</u>																	
J. Murray Anderson	\$ 4,549.73	17,730																	
Murray Anderson Co.	10,472.73	40,810																	
A. E. Rosen	42,003.69	163,745																	
W. Hogarth	12,404.05	48,370																	
Totals.....	\$ 69,430.20	270,655																	

# CERTIFICATE OF THE COMPANY

DATED June 16th, 1965

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

"A. E. Rosen"

By: [Signature]

CORPORATE SEAL

"J. M. Anderson"

And: [Signature]

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

DRAPER DOBIE & COMPANY LTD.

"W. M. Wismer"

By: [Signature]

"D. J. Coulter"

And: [Signature]





TORONTO STOCK EXCHANGE

AMENDING FILING STATEMENT No. 94.  
FILED, DECEMBER 6th. 1962.

ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED  
Full corporate name of Company

AMENDING FILING STATEMENT

To be read in conjunction with Filing Statement No. 776 dated July 17, 1962.

Previous Filing Statement No. 776 is amended as follows -

DEC 12 1962

<p>Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.</p>	<p>SCHEDULE "A"</p> <p>(a) The drilling programme on the Worthington property has been approximately 50% completed. The Company has suspended this programme and is negotiating with a view to utilizing the balance of the drilling contract amounting to approximately \$33,284.46 in exploring the properties in Mexico referred to in paragraph (b) below as recommended in the report of Lionel R. Simard dated November 19, 1962.</p> <p>(b) By Agreement made October 24, 1962 between the Company, Canadian Asuncion Mines Limited and Asuncion Company, the Company was granted the right for a period of 6 months (which may at the Company's option be extended to 18 months) to explore and investigate certain silver properties in Guanajuato, Mexico. In the event the Company expends \$250,000 in exploration and development work on the said properties within the period of 18 months and agrees to erect on the properties a mill of not less than 250 tons a day capacity within 1 year after the period of 18 months, Canadian Asuncion Mines Limited has agreed to incorporate a new Ontario company 50% of the shares of which will be owned by Canadian Asuncion Mines Limited and the remaining 50% will be owned by the Company. It has been agreed that the new company will own not less than 75-5/6th shares of the 100 issued and outstanding shares of Asuncion Company and will hold an existing lease of the mining properties having a term of 50 years from July 6, 1960 and all indebtedness of Asuncion Company presently held by Canadian Asuncion Mines Limited. It has been agreed that 60% of the net profits of the new company from the operation of the properties under the lease will be applied in repayment of amounts spent by the Company in exploration and development of the mining properties and to erect the mill referred to above.</p> <p>Canadian Asuncion Mines Limited is a company incorporated under the laws of the Province of Ontario and which is controlled to the extent of approximately 80% by Mr. Harold Ginsberg of New York City and Mr. Maurice Schack of Middletown, N.Y. This company is the beneficial owner of 75-5/6th out of 100 shares constituting the total authorized capital of Asuncion Company, a company incorporated under the laws of the State of Maine, and which is the owner, or controls, the Mexican silver properties mentioned above. Negotiations are proceeding for the acquisition of the balance of 24-1/6th shares of Asuncion Company.</p>
<p>3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.</p>	<p>Roy Herbert Thomson resigned as a director of the Company on November 2, 1962 and the vacancy on the board has not yet been filled.</p>
<p>4. Share capitalization showing authorized and issued and outstanding capital.</p>	<p>The authorized capital of the Company consists of 7,500,000 shares of the par value of \$1 each. Issued and outstanding as at October 31, 1962 - 4,353,935.</p>



# ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

## Statement of Source & Disposition of Funds for the four months period ended October 31, 1962

	June 30 1962	October 31, 1962
<u>Working Capital Comparison</u>		
Current assets	\$ 26,884.62	\$ 31,222.48
Current liabilities	<u>149,442.99</u>	<u>110,370.20</u>
Working capital deficiency	\$122,558.37	\$ 79,147.72
Decrease in working capital deficiency		<u>43,410.65</u>
	<u>\$122,558.37</u>	<u>\$122,558.37</u>
<u>Decrease in Working Capital Deficiency</u>		
<u>Source of Funds</u>		
By issue of capital stock		\$120,000.00
Proceeds from sales of equipment		36,200.00
Rental income		3,887.61
Miscellaneous		<u>60.00</u>
		\$160,147.61
<u>Disposition of Funds</u>		
Advances to Subsidiary Company		\$ 80,160.55
Administration and Mine expenses		<u>36,576.41</u>
		\$116,736.96
<u>Decrease in Working Capital Deficiency</u>		\$ 43,410.65

# ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

## Statement of Expenses for the four months ended October 31, 1962.

<u>Mine (Toburn) Expenses</u>		
Buildings maintenance	\$ 439.57	
Automotive expenses	339.64	
Heat, light, power	536.50	
Wages	1,810.00	
Office expenses	120.11	
Miscellaneous	<u>181.65</u>	
		\$ 3,427.47
<u>Administration</u>		
Bank interest and charges	487.94	
Bond interest	23,650.00	
Corporation taxes	371.28	
Share listing expenses	505.97	
Share certificates	365.86	
Advertising and reports to shareholders	3,854.25	
Audit and accounting	950.00	
Clerical and office expenses	466.80	
Telephone	472.65	
Rent and office maintenance	1,370.00	
Miscellaneous	<u>654.19</u>	
		\$33,148.94
		<u>\$36,576.41</u>

APPROVED on behalf of the Board.

*Allen E. Rosen*  
\_\_\_\_\_  
Director

*Harry Anderson*  
\_\_\_\_\_  
Director



AER NICKEL CORPORATION LIMITED

Statement of Source & Disposition of Funds  
for the four months period ended October 31, 1962

	June 30, 1962	October 31, 1962
<u>Working Capital Comparison</u>		
Current assets	\$ 1,148.09	\$ 1,148.09
Current liabilities	\$45,270.66	\$43,735.05
Working capital deficiency	\$44,122.57	\$42,586.96
Decrease in working capital deficiency		\$ 1,535.61
	<u>\$44,122.57</u>	<u>\$44,122.57</u>
<u>Decrease in Working Capital Deficiency</u>		
<u>Source of Funds</u>		
Advances from parent company		\$80,160.55
<u>Disposition of Funds</u>		
Administration and Mine expenses		\$78,624.94
<u>Decrease in Capital Deficiency</u>		<u>\$ 1,535.61</u>

AER NICKEL CORPORATION LIMITED

Statement of Expenses  
for the four months period ended October 31, 1962

Administration and Mine

Engineering	\$ 2,951.03
Technical	1,255.69
Diamond drilling	26,715.54
Diamond drilling deposit	33,284.46
Diamond drilling sundries	1,100.25
Assaying	516.00
Concentrate sales promotion	996.66
Travel	636.65
Insurance	6,706.87
Telephone	1,392.60
Power and light	1,616.33
Heat	581.21
Clerical and office	467.65
Miscellaneous	404.00
	<u>\$78,624.94</u>

APPROVED on behalf of the Board.

*Allen E. Rosen*

Director

*James Anderson*

Director



<p>6. Details of any treasury shares or other securities now the subject of any, underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.</p>	<p>The times for the exercise of the options of Davidson &amp; Company, acting on behalf of AER Investments Limited, to purchase 600,000 shares of the Company have been extended as follows:  200,000 shares @ 35¢ on or before January 28, 1963;  200,000 shares @ 40¢ on or before April 28, 1963;  200,000 shares @ 50¢ on or before July 28, 1963.</p>
<p>9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.</p>	<p>The Company plans to explore the Mexican silver properties as set forth in Schedule "A" hereto, and will use the balance of the drilling account, together with any further monies received by the Company as a result of the above-mentioned options, for further development and mining work on the Mexican silver properties, for the maintenance of the Company's Worthington and Toburn properties and for general administrative expenses, unless a further filing statement be submitted showing a contrary intention.</p>
<p>13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.</p>	<p>430,000 escrowed with Guaranty Trust Company of Canada subject to usual pro rata release with consent of directors and Ontario Securities Commission.</p>
<p>Statement of any other material facts and if none, so state.</p>	<p>None</p>

DATED November 30, 1962.

#### CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

ASSOCIATED ARCADIA NICKEL CORPORATION LIMITED

"A.E. Rosen"

"J.M. Anderson"

*Allen E. Rosen*  
CORPORATE  
President  
*J.M. Anderson*  
Secretary

#### CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

"J.C. Labbett"

*J.C. Labbett*